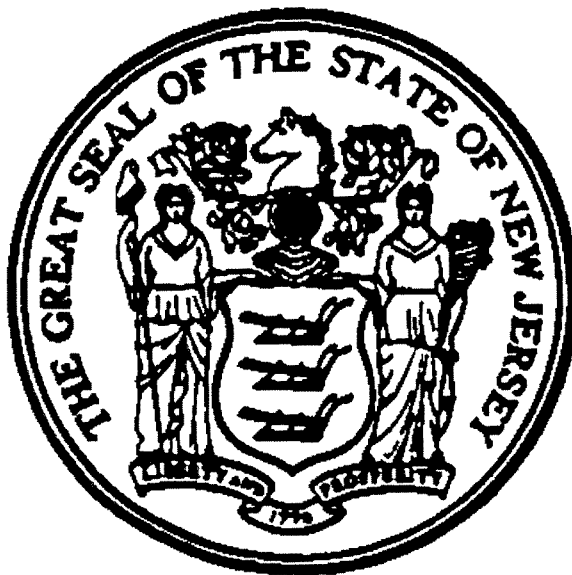


QUARTERLY REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED DECEMBER 31, 2005

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



BALANCE SHEETS

AS OF DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	DECEMBER 2005	DECEMBER 2004
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 52,457	\$ 53,105
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2005, \$5,946; 2004, \$11,730).....	22,987	15,044
4	Inventories.....	4,299	4,765
5	Prepaid Expenses and Other Current Assets.....	4,542	4,386
6	Total Current Assets.....	84,285	77,300
7	Investments, Advances, and Receivables - CRDA.....	18,472	14,260
8	Property and Equipment - Gross..... NOTES 2 & 8.....	786,159	1,159,205
9	Less: Accumulated Depreciation and Amortization..... NOTES 2 & 8.....	(18,606)	(326,663)
10	Property and Equipment - Net..... NOTES 2 & 8.....	767,553	832,542
11	Other Assets..... NOTES 4 & 8.....	194,879	6,729
12	Total Assets.....	\$ 1,065,189	\$ 930,831
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 9,060	\$ 10,291
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... NOTE 6.....	12,821	11,965
17	Income Taxes Payable and Accrued..... NOTE 7.....	7,239	6,136
18	Other Accrued Expenses..... NOTE 9.....	21,856	81,856
19	Other Current Liabilities..... NOTE 10.....	13,929	9,167
20	Total Current Liabilities.....	64,905	119,415
	Long-Term Debt:		
21	Due to Affiliates..... NOTES 2, 6 & 8.....	575,000	836,750
22	Other..... NOTE 6.....	6,185	17,486
23	Deferred Credits.....	-	-
24	Other Liabilities..... NOTE 7.....	17,611	400
25	Commitments and Contingencies..... NOTE 15.....		
26	Total Liabilities.....	663,701	974,051
27	Stockholders', Partners', or Proprietor's Equity (Deficit)..... NOTES 2, 8 & 11.....	401,488	(43,220)
28	Total Liabilities and Equity.....	\$ 1,065,189	\$ 930,831

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	REVENUE:		
1	Casino.....	\$ 512,741	\$ 496,350
2	Rooms.....	32,852	33,028
3	Food and Beverage.....	54,387	56,120
4	Other.....	17,620	20,223
5	Total Revenue.....	617,600	605,721
6	Less: Promotional Allowances.....	139,897	135,691
7	Net Revenue.....	477,703	470,030
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	290,550	281,818
9	Selling, General and Administrative.....	73,107	70,707
10	Provision for Doubtful Accounts.....	378	2,926
11	Total Costs and Expenses.....	364,035	355,451
12	Gross Operating Profit.....	113,668	114,579
13	Depreciation and Amortization.....	38,552	49,269
	Charges from Affiliates Other than Interest.....	-	-
14	Management Fees.....	-	-
15	Other..... NOTE 10.....	5,441	6,066
16	Income (Loss) from Operations.....	69,675	59,244
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTES 2, 6 & 8.....	(66,804)	(96,504)
18	Interest Income (Expense) - External..... NOTE 6.....	(2,999)	(2,493)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(2,167)	(2,100)
20	Nonoperating Income (Expense) - Net..... NOTE 12.....	105,896	(2,426)
21	Total Other Income (Expenses).....	33,926	(103,523)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	103,601	(44,279)
23	Provision (Credit) for Income Taxes..... NOTE 7.....	4,592	2,517
24	Income (Loss) Before Extraordinary Items.....	99,009	(46,796)
25	Extraordinary Items (Net of Income Taxes- 2005, \$ ____ ; 2004, \$ ____)..... NOTE 13.....	143,353	-
26	Net Income (Loss).....	\$ 242,362	\$ (46,796)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	REVENUE:		
1	Casino.....	\$ 126,603	\$ 118,658
2	Rooms.....	8,348	8,124
3	Food and Beverage.....	12,919	13,185
4	Other.....	3,427	4,404
5	Total Revenue.....	151,297	144,371
6	Less: Promotional Allowances.....	32,561	34,043
7	Net Revenue.....	118,736	110,328
	COSTS AND EXPENSES:		
8	Cost of Goods and Services.....	72,239	67,671
9	Selling, General and Administrative.....	19,466	17,984
10	Provision for Doubtful Accounts.....	670	901
11	Total Costs and Expenses.....	92,375	86,556
12	Gross Operating Profit.....	26,361	23,772
13	Depreciation and Amortization.....	8,319	12,699
14	Charges from Affiliates Other than Interest:	-	-
15	Management Fees.....	-	-
15	Other..... NOTE 10.....	1,304	1,372
16	Income (Loss) from Operations.....	16,738	9,701
	Other Income (Expenses):		
17	Interest Income (Expense) - Affiliates..... NOTES 2, 6 & 8.....	(12,267)	(23,831)
18	Interest Income (Expense) - External..... NOTE 6.....	(919)	(774)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(540)	(505)
20	Nonoperating Income (Expense) - Net..... NOTE 12.....	551	(2,466)
21	Total Other Income (Expenses).....	(13,175)	(27,576)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	3,563	(17,875)
23	Provision (Credit) for Income Taxes..... NOTE 7.....	2,656	605
24	Income (Loss) Before Extraordinary Items.....	907	(18,480)
25	Extraordinary Items (Net of Income Taxes- 2005, \$ ____ ; 2004, \$ ____).....	-	-
26	Net Income (Loss).....	\$ 907	\$ (18,480)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2003.....		\$		\$	\$	\$	\$	\$
2	Net Income (Loss) - 2004.....								
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	.....							
7	.....							
8	.....							
9	.....							
10	Balance, December 31, 2004.....								
11	Net Income (Loss) - 2005.....								
12	Contribution to Paid-in-Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	.....							
16	.....							
17	.....							
18	.....							
19	Balance, December 31, 2005.....		\$		\$	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2003.....	\$64,584	(\$35,766)		\$28,818
2	Net Income (Loss) - 2004.....		(46,796)		(46,796)
3	Capital Contributions.....	8,232			8,232
4	Capital Withdrawals.....				
5	Partnership Distributions..... NOTE 11.....	(33,474)			(33,474)
6	Prior Period Adjustments.....				
7	.....			
8	.....			
9	.....			
10	Balance, December 31, 2004.....	39,342	(82,562)		(43,220)
11	Net Income (Loss) - May 19, 2005.....		225,990		225,990
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions..... NOTE 11.....	(7,779)			(7,779)
15	Prior Period Adjustments.....				
16	.....			
17	.....			
18	.....			
19	Balance, May 19, 2005.....	\$31,563	\$143,428		\$174,991
20	Capitalization of Company on May 19, 2005..... NOTE 8.....	\$405,643			\$405,643
21	Net Income (Loss) - May 20, 2005 through December 31, 2005.....		\$16,372		16,372
22	Capital Contributions.....				
23	Capital Withdrawals.....				
24	Partnership Distributions..... NOTE 11.....	(20,527)			(20,527)
25	Prior Period Adjustments.....				
26	.....			
27	.....			
28	.....			
29	Balance, December 31, 2005.....	\$385,116	\$16,372		\$401,488

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 66,812	\$ 65,409
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(25,751)	(9,218)
5	Proceeds from Disposition of Property and Equipment.....	1,538	-
6	Purchase of Casino Reinvestment Obligations.....	(6,413)	(6,259)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) by Investing Activities.....	(30,626)	(15,477)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	(11,507)	(12,130)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	-	8,232
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Partnership Distribution.....	(25,327)	(33,474)
22	Cash Disbursed for Capital Contribution.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	(36,834)	(37,372)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(648)	12,560
25	Cash and Cash Equivalents at Beginning of Period.....	53,105	40,545
26	Cash and Cash Equivalents at End of Period.....	\$ 52,457	\$ 53,105
	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 42,684	\$ 41,772
28	Income Taxes.....	\$ 350	\$ 350

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND 2004

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2005 (c)	2004 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 242,362	\$ (46,796)
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	38,552	49,269
31	Amortization of Other Assets.....	453	125
32	Amortization of Debt Discount or Premium.....	-	1,864
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	-
36	(Gain) Loss on Casino Reinvestment Obligations.....	2,167	2,100
37	(Gain) Loss from Other Investment Activities.....	-	-
38	Net (Increase) Decrease in Receivables and Patrons' Checks.....	(6,484)	1,086
39	Net (Increase) Decrease in Inventories.....	466	45
40	Net (Increase) Decrease in Other Current Assets.....	336	(246)
41	Net (Increase) Decrease in Other Assets.....	2,136	233
42	Net Increase (Decrease) in Accounts Payable.....	(1,231)	(2,020)
43	Net Increase (Decrease) in Other Current Liabilities Excluding Debt.....	35,925	57,052
44	Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt.....	-	-
45	Reorganization Expense..... NOTES 2 & 8.....	(104,517)	2,697
46	Gain on Debt Extinguishment..... NOTES 2 & 8.....	(143,353)	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 66,812	\$ 65,409

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ (26,813)	\$ (30,582)
49	Less: Capital Lease Obligations Incurred.....	1,062	21,364
50	Cash Outflows for Property and Equipment.....	\$ (25,751)	\$ (9,218)
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
53	Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ 0	\$ 0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions/Partnership Distribution.....	\$ -	\$ 8,232
58	Plus: Issuances of Long-Term Debt to Affiliates, Net of Costs.....	-	-
59	Plus: Elimination of Amounts Due from Affiliates.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 0	\$ 8,232

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Unaudited)

NOTE 1 - GENERAL

Organization and Operations

Trump Taj Mahal Associates, a New Jersey Limited Liability Corporation ("Taj Associates" or the "Company") is 100% beneficially owned by Trump Entertainment Resorts Holdings, L.P. (formerly known as Trump Hotels & Casino Resorts Holdings, L.P. ("THCR")), a Delaware Limited Partnership ("TER Holdings"). Trump Entertainment Resorts, Inc. (formerly known as Trump Hotels & Casino Resorts, Inc.), a Delaware corporation ("TER") currently beneficially owns an approximately 76.5% profits interest in TER Holdings, as both a general and limited partner, and Donald J. Trump ("Mr. Trump") owns directly and indirectly an approximately 23.5% profits interest in TER Holdings, as a limited partner. In addition TER Holdings beneficially wholly owns:

- Trump Plaza Associates, LLC ("Plaza Associates"), which owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza"), located at the center of the Boardwalk in Atlantic City, New Jersey.
- Trump Marina Associates, LLC ("Marina Associates"), which owns and operates the Trump Marina Hotel Casino ("Trump Marina"), located in Atlantic City's marina district.

Taj Associates owns and operates the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City, New Jersey hotel, casino and convention center complex. The Taj Mahal, Trump Plaza and Trump Marina are collectively referred to as the "Trump Atlantic City Properties." The Atlantic City market is very competitive and is anticipated to become more competitive in the future. Taj Associates derives its revenue from casino operations, room rental, food and beverage sales, and entertainment revenue.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months.

NOTE 2 - REORGANIZATION AND EMERGENCE FROM CHAPTER 11

On November 21, 2004, Trump Hotels & Casino Resorts, Inc. and its subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"), as part of a pre-arranged plan of reorganization. While in bankruptcy, the Debtors continued to manage their properties and operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court.

On April 5, 2005, the Bankruptcy Court entered an order confirming the Second Amended and Restated Joint Plan of Reorganization, dated as of March 30, 2005, of the Debtors, as amended (the "Plan"). The Plan became effective on May 20, 2005 (the "Effective Date"), at which time all material conditions to the plan were satisfied and the Debtors emerged from chapter 11.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the "CCC").

From the filing of the Debtors' chapter 11 petition to the Effective Date, THCR and its subsidiaries operated as debtors-in-possession under the jurisdiction of the Bankruptcy Court. Accordingly, Taj Associates financial statements for periods prior to its emergence from chapter 11 were prepared in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). SOP 90-7 required the Company to report pre-petition liabilities that were subject to compromise separately on its balance sheet at an estimate of the amount that would ultimately be allowed by the Bankruptcy Court. SOP 90-7 also required separate reporting of certain expenses relating to the Debtors' chapter 11 filings as reorganization items.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Unaudited)

Upon its emergence from chapter 11, the Company adopted fresh-start reporting in accordance with SOP 90-7. Under fresh-start reporting, a new entity was deemed to have been created for financial reporting purposes and the recorded amounts of assets and liabilities were adjusted to reflect their preliminary estimated fair values. The term, "Predecessor Company" refers to the Company for periods prior to and including May 19, 2005, and the term "Reorganized Company" refers to the Company for periods on and subsequent to May 20, 2005. As a result of the adoption of fresh-start reporting, the Reorganized Company's post-emergence financial statements are generally not comparable with the financial statements of the Predecessor Company prior to its emergence from bankruptcy, including the historical financial statements included in this quarterly report. Due to the adoption of fresh-start reporting, the Predecessor and Reorganized Company financial statements are prepared on different bases. See Note 8 for a condensed balance sheet showing the impact of fresh-start accounting at May 20, 2005.

Financial Reporting Under the Bankruptcy Code

From November 21, 2004 to May 19, 2005, the Company accounted for its operations under SOP 90-7. In accordance with SOP 90-7, certain expenses incurred and benefits realized by the Company during the bankruptcy period were recorded as reorganization expenses in the accompanying statements of income. In order to record its debt instruments at the amount of the claims expected to be allowed by the Bankruptcy Court in accordance with SOP 90-7, as of the chapter 11 petition date, the Company wrote off as reorganization expenses its capitalized deferred financing fees associated with the 11.25% First Mortgage Notes due 2006 of Trump Atlantic City Associates and certain of its affiliates (the "TAC Notes"). Reorganization expenses also include professional fees and other expenses directly associated with the bankruptcy process.

The following table summarizes reorganization (income) expense:

	Predecessor Company	
	For the years ended December 31,	
	2005	2004
Professional fees and expenses	\$ 30,000	\$ —
Write-off of deferred financing costs	—	2,519,000
Accretion of unamortized debt discount	—	178,000
Net fresh-start reorganization gain	(104,517,000)	—
	<u>\$ (104,487,000)</u>	<u>\$ 2,697,000</u>

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition and Allowance for Doubtful Accounts

Gaming revenues represent the net win from gaming activities, which is the difference between amounts of gaming wins and losses. Revenues from hotel and other services are recognized at the time the related services are performed.

Taj Associates provides an allowance for doubtful accounts arising from casino, hotel and other services, which is based upon a specific review of certain outstanding receivables as well as historical collection information. In determining the amount of the allowance, management is required to make certain estimates and assumptions. Actual results could differ from those estimates and assumptions.

Promotional Allowances

The retail value of accommodations, food, beverage and other services provided to patrons without charge is included in gross revenues and deducted as promotional allowances. The estimated departmental costs of providing such promotional allowances are included in costs of goods and services in the accompanying statements of income and consist of the following:

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Unaudited)

	Years Ended December 31,	
	2005	2004
Rooms	\$ 12,263,000	\$ 11,711,000
Food and Beverage	33,508,000	32,967,000
Other	3,376,000	4,566,000
	<u>\$ 49,147,000</u>	<u>\$ 49,244,000</u>

Promotional allowances also include volume based cash rebates and coin given to patrons.

Cash discounts based upon a negotiated amount with each patron are recognized as a promotional allowance on the date the related revenue is recorded. Cash-back program awards that are given to patrons based upon earning points for future awards are accrued as the patron earns the points. The amount is recorded as a promotional allowance in the statements of income. When estimating the amount of the accrual, Taj Associates calculates a redemption rate based upon historical redemption rates.

Taj Associates offers other incentive programs. These programs are monthly gifts and other promotional items. Management elects the type of gift and the person to whom it will be given. Since these awards are not cash awards, Taj Associates records them as selling, general and administrative costs in the statements of income. Such amounts are expensed on the date the award can be utilized by the patron.

Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include hotel and casino funds, funds on deposit with banks and temporary investments purchased with a maturity date of three months or less. Reorganization items were disclosed separately within the operating, investing, and financing categories of the statement of cash flows, as applicable.

Inventories

Inventories of provisions and supplies are carried at the lower of cost (weighted average) or market value.

Property and Equipment

The carrying value of property and equipment acquired prior to May 20, 2005 is based on its allocation of reorganization value and is being depreciated on the straight-line method using rates based on the estimated remaining useful lives. Property and equipment acquired on or after May 20, 2005, is recorded at cost. Property and equipment is depreciated on the straight-line method using rates based on the estimated annual useful lives as follows:

Buildings and building improvements	40 years
Furniture, fixtures and equipment	3 - 10 years
Leasehold improvements	4 - 40 years

Depreciation expense includes amortization of assets under capital lease obligations.

Long-Lived Assets

In accordance with the provisions of Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," management assesses the carrying values of Taj Associates assets when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effect of demand, competition and other economic factors. In circumstances in which undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the operating unit level, which for most of our assets is the individual casino. In estimating the fair value of an asset, management utilizes the prices of similar assets and the results of other valuation techniques. Taj Associates does not believe that any such changes have occurred.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

(Unaudited)

Deferred Financing Costs

Financing costs, including underwriters' discounts and direct transactional fees (including accounting, legal and printing), associated with the issuance of debt have been capitalized as deferred bond and loan issuance costs in the accompanying balance sheet and are being amortized to interest expense over the terms of the related debt. During the year ended December 31, 2004, Taj Associates, in order to record its debt instruments at the amount of the claim expected to be allowed by the Bankruptcy Court in accordance with SOP 90-7, wrote off as reorganization expense the unamortized deferred bond and loan issuance costs associated with the TAC Notes. Such write-off reflected these debt instruments at par value.

Intangible Assets

We amortize intangible assets over their estimated useful lives. Our trademarks, included in intangible assets have indefinite lives and are subject to impairment testing at least annually.

Goodwill

Goodwill represents our reorganization value in excess of amounts allocable to identifiable assets. Goodwill is subject to impairment testing at least annually.

Self-Insurance Reserves

Self-insurance reserves represent the estimated amounts of uninsured claims related to employee health medical costs, workman's compensation and personal injury claims that have occurred in the normal course of business. These reserves are established by management based upon specific review of open claims, with consideration of incurred but not reported claims as of the balance sheet date. The costs of the ultimate disposition of these claims may differ from these reserve amounts.

Advertising Expense

Taj Associates expenses advertising costs as they are incurred. Advertising expense was \$2,947,000 and \$3,345,000 for the years ended December 31, 2005 and 2004, respectively.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

NOTE 4 - INTANGIBLE ASSETS AND GOODWILL

As of December 31, 2005			
	Gross Carrying Amount	Accumulated Amortization	Weighted- average Useful Life
Goodwill	\$ 98,040,000	\$ —	Indefinite
Trademarks	81,000,000	—	Indefinite
Leasehold interests	466,000	288,000	1.6 years
Customer Relationships	7,000,000	616,000	7 years
Total	<u>\$ 186,506,000</u>	<u>\$ 904,000</u>	

These intangible assets were recorded at May 20, 2005, as a part of our fresh-start reporting, see Note 8. We recorded amortization expense of \$904,000 for the period May 20, 2005 through December 31, 2005.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Unaudited)

Future amortization expense of our amortizable intangible assets for each of the years ended December 31, is as follows:

2006	\$ 1,178,000
2007	1,000,000
2008	1,000,000
2009	1,000,000
2010	1,000,000
Thereafter	<u>1,384,000</u>
Total	<u>\$ 6,562,000</u>

A rollforward of goodwill for the period from May 20, 2005 to December 31, 2005, is as follows:

Balance, May 20, 2005	\$ 98,040,000
Charge in lieu of income taxes	(2,495,000)
Other	<u>(1,473,000)</u>
Balance, December 31, 2005	<u>\$ 94,072,000</u>

NOTE 5 - PROPERTY AND EQUIPMENT

	December 31,	
	2005	2004
Land	\$ 195,956,000	\$ 74,568,000
Buildings	542,666,000	919,648,000
Furniture, fixtures and equipment	43,620,000	164,657,000
Construction in progress	<u>3,917,000</u>	<u>332,000</u>
Total	786,159,000	1,159,205,000
Less: Accumulated Depreciation (Note 8)	<u>(18,606,000)</u>	<u>(326,663,000)</u>
Net Property and Equipment	<u>\$ 767,553,000</u>	<u>\$ 832,542,000</u>

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,	
	2005	2004
Note Payable - TER and TER Funding 8.5% Senior Secured Notes, due 2015 (a)	\$ 575,000,000	\$ —
Note Payable - TAC and TAC Funding 11.25% First Mortgage Notes, due 2006 (b)	—	800,000,000
Note Payable - TAC, TAC Funding II and TAC Funding III 11.25% First Mortgage Notes, due 2006 (b)	—	36,750,000
Capitalized lease obligations (c)	<u>19,006,000</u>	<u>29,451,000</u>
	594,006,000	866,201,000
Less: current maturities	(12,821,000)	(11,965,000)
Less: long-term debt, subject to compromise	—	<u>(836,750,000)</u>
	<u>\$ 581,185,000</u>	<u>\$ 17,486,000</u>

- (a) In May 2005, TER and TER Funding, Inc., ("TER Funding"), a wholly owned subsidiary of TER issued \$1,250,000,000 principal amount of 8.50% First Mortgage Notes due June 1, 2015 (the "TER Notes"). Interest on the TER Notes is payable semi-annually on each June 1 and December 1 commencing on May 20, 2005 initially payable December 1, 2005.

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From the proceeds of the issuance of the TER Notes, TER loaned \$575,000,000 to Taj Associates with interest at 8.50%, due June 1, 2015 with the same terms as the TER Notes.

- (b) In April 1996, Trump Atlantic City Associates ("TAC") and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of TAC ("TAC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). On May 20, 2005, the TAC I Notes were cancelled as a result of the transaction described in Note 2.

In December 1997, TAC and Trump Atlantic City Funding II, Inc. ("TAC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, TAC and Trump Atlantic City Funding III, Inc. ("TAC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "TAC Notes"). On May 20, 2005, the TAC II Notes and TAC III Notes were cancelled as a result of the transaction described in Note 2.

From the proceeds of the issuance of the TAC Notes, TAC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the TAC Notes. Accordingly these loans were cancelled as a result of the transaction described in Note 2.

- (c) Interest on these leases are payable with interest rates ranging from 4.5% to 18.2%. The leases are due at various dates between 2005 and 2009 and are secured by the equipment financed.

Future minimum payments, excluding the TER Notes, which represents capital leases as of December 31, 2005 are as follows:

2006	\$	14,251,000
2007		5,678,000
2008		788,000
2009		8,000
2010		<u> </u>
Total minimum payments		20,725,000
Less: amount representing interest		<u>(1,719,000)</u>
Present value of minimum lease payments	\$	<u><u>19,006,000</u></u>

The TER Notes are senior obligations of the issuers and are guaranteed on a senior basis by us on a joint and several basis, and rank senior in right of payment to the issuers' and our subordinated indebtedness. Notwithstanding the foregoing, because amounts borrowed under TER's Credit Agreement are secured by substantially all the assets of the issuers and the Guarantors on a priority basis, the TER Notes and the guarantees thereof are effectively subordinated to amounts borrowed under TER's Credit Agreement.

TER's Senior Secured Credit Facility

On May 20, 2005, TER and TER Holdings entered into an agreement for a \$500,000,000 senior secured credit facility (the "Credit Agreement") with a group of lenders. Pursuant to the Credit Agreement, as amended, the lenders have agreed to provide TER Holdings (i) a revolving credit facility in the amount of \$200,000,000, (ii) a single-draw term loan facility in the amount of \$150,000,000, which was drawn on the Effective Date and (iii) a delayed draw term loan facility in the amount of \$150,000,000, which may be drawn in multiple borrowings through November 20, 2006. The TER Credit Agreement also includes a sub-facility for letters of credit in an amount of up to \$70,000,000. At December 31, 2005, TER had outstanding letters of credit of \$40,000,000 under the Credit Agreement.

Proceeds from the term loans may be utilized to (i) pay off amounts outstanding under the debtor-in-possession financing, which occurred on the Effective Date, (ii) fund the construction of a new tower at the Trump Taj Mahal, (iii) pay fees and expenses in connection with our restructuring, and (iv) provide for ongoing working capital and general corporate needs; provided that \$150,000,000 of the term loan is restricted to fund construction of the new tower at the Trump Taj Mahal. The Credit Facility may be used to fund ongoing working capital requirements of TER Holdings and its subsidiaries and other general corporate

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purposes. The revolving credit facility matures on May 20, 2010. The term loan matures on May 20, 2012, and must be repaid during the final year of such loans in equal quarterly amounts, subject to amortization of approximately 1.0% per year prior to the final year.

Borrowings under the Credit Agreement are secured by a first priority security interest on substantially all the assets of TER Holdings and its subsidiaries. TER Holdings' obligations under the Credit Agreement are guaranteed by us and each of our direct and indirect subsidiaries. We and our subsidiaries are subject to a number of affirmative and negative covenants and must comply with certain financial covenants. Such financial covenants include maintenance of a leverage ratio of 8.75 to 1, a lien coverage ratio of 2.25 to 1 and an interest coverage ratio of 1.35 to 1. TER was in compliance with such covenants as of December 31, 2005.

NOTE 7 - INCOME TAXES

The accompanying financial statements do not include a provision for federal income taxes since the Predecessor Company is a partnership for federal income tax purposes and the Reorganized Company is a division of TER Holdings for federal income tax purposes. Therefore, the Predecessor Company's income and losses are allocated and reported for federal income tax purposes by its partners and the Reorganized Company's income and losses are allocated and reported for federal income tax purposes by TER Holdings' partners.

The state income tax provision attributable to income (loss) from continuing operations before income taxes is as follows:

	<u>Predecessor Company</u>		<u>Reorganized Company</u>
	<u>Year Ended</u>	<u>January 1, 2005</u>	<u>May 20, 2005</u>
	<u>December 31, 2004</u>	<u>through</u>	<u>through</u>
		<u>May 19, 2005</u>	<u>December 31, 2005</u>
Current expense	\$ 2,517	\$ 947	\$ 1,150
Deferred expense	—	—	—
Non-cash charge in lieu of taxes	—	—	2,495
	<u>\$ 2,517</u>	<u>\$ 947</u>	<u>\$ 3,645</u>

The current income tax provision reflects the utilization of net operating loss carryforwards and the deferred income tax provision reflects the impact of changes to the valuation allowances. The non-cash charge in lieu of taxes represents the utilization of pre-reorganization tax benefits that are reflected as a reduction to goodwill.

The tax effects of significant temporary differences representing deferred tax assets and liabilities, subject to valuation allowances are as follows:

	<u>Predecessor Company</u>	<u>Reorganized Company</u>
	<u>December 31, 2004</u>	<u>December 31, 2005</u>
Deferred tax assets:		
Accruals and prepayments	\$ 8,918	\$ 5,079
NOL carryforwards	13,200	9,410
	22,118	14,489
Less: Valuation allowance	(6,380)	(10,749)
	<u>15,738</u>	<u>3,740</u>
Deferred tax liabilities:		
Basis difference on property and equipment, net	(10,134)	(11,916)
Trademarks and other	(5,604)	(8,371)
	<u>(15,738)</u>	<u>(20,287)</u>
Net deferred income tax liability	<u>\$ —</u>	<u>\$ (16,547)</u>

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Under the New Jersey Casino Control Act, Taj Associates is required to file New Jersey corporation business tax returns. As of December 31, 2005, Taj Associates has state net operating loss carryforwards of approximately \$80,400,000 available to offset future taxable income. The New Jersey state NOLs expire from 2006 through 2012.

Predecessor Company net operating losses utilized to offset taxable income of the Reorganized Company will be recorded in the provision for income taxes as a non-cash charge in lieu of taxes and as a reduction to goodwill, if available, and additional paid-in-capital to the extent goodwill would be reduced to zero.

Taj Associates is currently involved in an examination with the Internal Revenue Service (the "IRS") concerning Taj Associates' federal partnership income tax return for the tax years 2002 and 2003. While any adjustment which results from this examination could affect Taj Associates' state income tax return, Taj Associates does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

State income taxes for Taj Associates' New Jersey operations are computed under the alternative minimum assessment method. Taj Associates believes it is exempt from these taxes and, as such, have not remitted payments of the amounts provided. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 and 2003. At December 31, 2005, Taj Associates has accrued \$8,202,000 for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004 and 2005. Taj Associates is currently in discussions with the New Jersey Division of Taxation.

NOTE 8 - FRESH-START REPORTING

TER and its subsidiaries adopted fresh-start reporting upon its emergence from chapter 11 on the Effective Date in accordance with SOP 90-7. TER and its subsidiaries are required to apply the fresh-start provisions of SOP 90-7 to its financial statements because (i) the reorganization value of the assets of the emerging entity immediately before the date of confirmation was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of existing voting shares of THCR Common Stock immediately before confirmation (i.e., the holders of shares of the common stock of the Predecessor Company (the "Old Common Stock") that were issued and outstanding prior to the commencement of the chapter 11 proceedings) received less than 50 percent of the voting shares of the emerging entity. Under SOP 90-7, application of fresh-start reporting is required on the date on which the plan of reorganization is confirmed by a bankruptcy court, but SOP 90-7 further provides that fresh-start reporting should not be applied until all material conditions are satisfied. All material conditions to the Plan were satisfied as of May 20, 2005.

Fresh-start reporting requires that the Company adjust the historical cost of its assets and liabilities to their fair value as determined by the reorganization value of the Company as set forth in the Plan. Furthermore, the reorganization value must be allocated among the reorganized entity's net assets in conformity with procedures specified by Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" ("SFAS 141"). The Company had engaged an independent appraiser to assist the Company in the allocation of reorganization value under the Plan to the Company's assets and liabilities. The Company used the independent appraiser's analysis and other information to make the allocations as of the Effective Date. The Company's intangibles include trademarks (including a perpetual, exclusive royalty-free license of the "Trump" name and certain derivatives thereof, subject to certain terms and conditions), customer relationships, leasehold interests and goodwill. The adoption of fresh start reporting resulted in the following adjustments to the Company's balance sheet as of May 20, 2005:

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	Predecessor Company May 20, 2005	Reorganization of Debt and Equity (1)	Fresh Start Adjustments (2)	Reorganized Company May 20, 2005
	(In thousands)			
Assets				
Current Assets:				
Cash and cash equivalents	\$ 43,496	\$	\$	\$ 43,496
Receivable, net	19,467			19,467
Other current assets	12,134		836	12,970
Total current assets	75,097		836	75,933
Property and equipment, net	822,082		(49,636)	772,446
Other assets	24,435			24,435
Intangible assets	—		193,852	193,852
TOTAL ASSETS	\$ 921,614	\$ —	\$ 145,052	\$ 1,066,666
LIABILITIES AND EQUITY (DEFICIT)				
CURRENT LIABILITIES:				
Current maturities of long-term debt	\$ 12,449	\$	\$	\$ 12,449
Accounts Payable and accrued expenses	42,723			42,723
Due to affiliates, net	47			47
Accrued interest payable	54,329	(54,329)		—
TOTAL CURRENT LIABILITIES	109,548	(54,329)		55,219
NON-CURRENT LIABILITIES				
Long-term debt, net of current maturities	849,771	(261,750)		588,021
Deferred income taxes	—	—	17,383	17,383
Other long-term liabilities	400			400
TOTAL LIABILITIES	959,719	(316,079)	17,383	661,023
PARTNERS'/OWNER'S EQUITY (DEFICIT)				
Contributed capital	66,337	172,726	23,152	262,215
Accumulated earnings/(deficit)	(104,442)	143,353	104,517	143,428
Partners'/owner's equity (deficit)	(38,105)	316,079	127,669	405,643
TOTAL LIABILITIES AND PARTNERS'/OWNER'S EQUITY (DEFICIT)	\$ 921,614	\$ —	\$ 145,052	\$ 1,066,666

- (1) To record the reorganization of debt and equity in accordance with the Plan, including the discharge of pre-petition liabilities comprised principally of \$261,750 million of TAC Notes and \$54,329 of accrued interest thereon.
- (2) To adjust the carrying value of assets, liabilities and partners'/owner's equity to fair value, and record on the Reorganized Company other intangibles in accordance with the fresh start reporting requirements of SOP 90-7.

Accordingly, the Company recorded the following as intangible assets at May 20, 2005:

Trademarks	\$ 81,000,000
Customer Relationships	7,000,000
Excess of Reorganization Value over Fair Value of Net Assets Acquired	98,040,000
Leasehold Interests	466,000
Deferred financing costs	7,346,000
Total	\$ 193,852,000

Customer Relationships and Leasehold Interests are being amortized on a straight-line basis over a period of seven years and one year, respectively, and are included in depreciation and amortization in the accompanying statement of operations. The trademarks have an indefinite life; accordingly, trademarks are not subject to periodic amortization but are reviewed annually for impairment. The excess of reorganization value over the fair value of net assets acquired is reviewed annually for impairment.

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Net reorganization fresh start gain as of May 20, 2005 consisted of the following:

Net gain resulting from reorganization of debt and equity	\$	143,353,000
Net gain resulting from fresh start value adjustments to assets and liabilities		104,517,000
Net fresh start reorganization gain	\$	<u>247,870,000</u>

The extraordinary gain from the reorganization of debt and equity relates to the settlement of long-term debt and accrued interest at an amount less than the historical recorded value. As this gain resulted from the bankruptcy recapitalization and as such was unusual and infrequent in the nature, it has been reflected as an extraordinary gain pursuant to Accounting Principles Board Number 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," and Financial Standards Board Statement Number 145, "Rescission of FASB Statements No. 4, 41, and 62, Amendment of FASB Statement No. 13, and Technical Corrections."

NOTE 9 - OTHER ACCRUED EXPENSES

	December 31,	
	2005	2004
Accrued interest	\$ 963,000	\$ 62,756,000
Accrued advertising/marketing	1,352,000	1,348,000
Accrued payroll & related	12,901,000	12,418,000
Accrued CRDA obligation	1,602,000	1,515,000
Gaming tax payable	1,135,000	761,000
Other **	3,903,000	3,058,000
Total	\$ <u>21,856,000</u>	\$ <u>81,856,000</u>

** None of the individual components of Other exceed 5% of the total.

NOTE 10 - TRANSACTIONS WITH AFFILIATES

Taj Associates has engaged in certain transactions with Mr. Trump and entities that are partially owned by Mr. Trump. Amounts receivable/(payable) at December 31 are as follows:

	December 31,	
	2005	2004
Marina Associates	\$ (167,000)	\$ 45,000
Plaza Associates	(67,000)	1,000
Trump Indiana, Inc.	—	8,000
Trump Administration	(1,402,000)	(14,000)
Trump Casino Holdings, LLC	—	23,000
	\$ <u>(1,636,000)</u>	\$ <u>63,000</u>

Taj Associates engages in various transactions with the other Atlantic City hotel/casinos and related casino entities that are affiliates of Mr. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include certain shared professional fees, insurance and payroll costs as well as complimentary services offered to customers.

Beginning in late 1997, the Taj Mahal utilizes certain facilities owned by Mr. Trump to entertain high-end customers. Management believes that the ability to utilize these facilities has enhanced Taj Associates revenues. In 2005 and 2004, Taj Associates incurred approximately \$26,000 and \$267,000, respectively, for customer costs associated with such utilization. In addition, in exchange for having Mr. Trump's plane available to customers of the Taj Mahal, Taj Associates has incurred pilot costs of approximately \$59,000 and \$140,000 for the years ended December 31, 2005 and 2004, respectively.

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Trump Taj Mahal Associates Administration, a separate division of Taj Associates ("Trump Administration") was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Taj Associates, Plaza Associates and Marina Associates. Management believes that Trump Administration's services will continue to result in substantial cost savings and operational synergies.

NOTE 11 - PARTNER'S/OWNER'S CAPITAL

Partnership/Owner's Distribution

Pursuant to the indentures governing the TER Notes, Taj Associates is permitted to reimburse TER for its operating and interest expenses. During the period May 20, 2005 to December 31, 2005 Taj Associates declared cash partnership distributions to TER of \$20,527,000 consisting of operating and interest expense reimbursements.

Pursuant to the indentures governing the TAC Notes, TAC was permitted to reimburse THCR for its operating and interest expenses. These reimbursements were subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. As such, TAC's subsidiaries, Taj Associates and Plaza Associates were permitted to reimburse TAC for its interest expenses and operating expense reimbursements to THCR. During the period January 1, 2005 to May 19, 2005 and the year ended December 31, 2004, Taj Associates declared cash partnership distributions to TAC of \$7,779,000 and \$33,474,000, respectively, consisting of operating expense reimbursements as well as cash to fund the payment by TAC of other expenses which were principally transaction costs related to the Plan.

NOTE 12 - NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the years ended December 31, 2005 and 2004 consists of:

	<u>2005</u>	<u>2004</u>
Interest income	\$ 1,409,000	\$ 271,000
Reorganization income (expenses)	<u>104,487,000</u>	<u>(2,697,000)</u>
	<u>\$ 105,896,000</u>	<u>\$ (2,426,000)</u>

See Notes 2 and 8 for additional disclosure and discussion.

NOTE 13 - EXTRAORDINARY GAIN ON EXTINGUISHMENT OF DEBT

The extraordinary gain on extinguishment of debt for the year ended December 31, 2005 was comprised of:

	<u>2005</u>
Cancellation of TAC Notes payable, net	\$ 89,024,000
Cancellation of accrued interest on TAC Notes	<u>54,329,000</u>
	<u>\$ 143,353,000</u>

See Notes 2 and 8 for additional disclosure and discussion.

NOTE 14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial instruments approximates fair value as follows: (a) cash and cash equivalents, receivables and payables are based on the short-term nature of these financial instruments and (b) CRDA bonds and deposits are based on the allowances to give effect to the below market interest rates.

The estimated fair values of the other financial instruments are as follows:

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	<u>December 31, 2005</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
TER and TER Funding 8.5% Senior secured notes, due 2015	\$ 575,000,000	\$ 560,625,000

The fair values of the TER Notes are based on quoted market prices as of December 31, 2005.
We estimate the fair value of our capital lease obligations approximate carrying value.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Operating Leases

Taj Associates leases certain property, warehouse space and various equipment under operating leases. Rent expense for the years ended December 31, 2005 and 2004 was \$5,190,000 and \$4,168,000, respectively.

Future minimum lease payments under noncancellable operating leases as of December 31, 2005 are as follows:

2006	\$ 3,091,000
2007	2,527,000
2008	483,000
2009	344,000
2010	354,000
Thereafter	<u>—</u>
	<u>\$ 6,799,000</u>

Certain of these leases contain options to purchase the leased properties at various prices throughout the lease terms.

Employment Agreements

As of December 31, 2005, Taj Associates had an aggregate minimum contractual obligation, of approximately \$1,572,000 under various employment agreements with certain employees. These commitments mature at various dates through 2006.

CAFRA Agreement

Taj Associates received a permit under the Coastal Area Facilities Review Act ("CAFRA") (which included a condition of Taj Associates' casino license) that initially required Taj Associates to begin construction of certain improvements on the Steel Pier by October 1992, which improvements were to be completed within 18 months of commencement. In March 1993, Taj Associates obtained a modification of its CAFRA permit providing for the extension of the required commencement and completion dates of the improvements to the Steel Pier for one year, which has been renewed annually based upon an interim use of the Steel Pier as an amusement park. The pier sublease terminates on December 31, 2006 unless extended.

Employee Benefit Plan

Taj Associates participates in a retirement savings plan, the 401(k) Plan, for its nonunion employees under Section 401(k) of the Internal Revenue Code. Eligible employees may contribute up to 30% of their earnings (as defined) to the 401(k) Plan up to the maximum amount permitted by law, with Taj Associates matching 50% of an eligible employee's contributions up to a maximum of 6% of the employee's earnings. In connection with the 401(k) Plan, Taj Associates recorded charges of \$1,707,000 and \$1,724,000 for matching contributions for the years ended December 31, 2005 and 2004, respectively.

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Taj Associates makes payments to various trustee multi-employer pension plans under industry-wide union agreements. The payments are based on the hours worked by, or gross wages paid, to covered employees. Under the Employee Retirement Income Security Act, Taj Associates may be liable for its share of the plan's unfunded liabilities, if any, if the plans are terminated. Pension expense charged to operations was \$3,294,000 and \$2,994,000 for the years ended December 31, 2005 and 2004, respectively.

Taj Associates provides no other material, post-retirement or post-employment benefits.

New Jersey Casino License Regulations and Renewal

The operation of an Atlantic City hotel and casino is subject to significant regulatory controls that affect virtually all of its operations. Under the Casino Control Act, Taj Associates is required to maintain certain licenses. Casino licenses must be renewed periodically, are not transferable, are dependent on the financial stability of the licensee and can be revoked at any time.

In June 2003, the New Jersey Casino Control Commission (the "CCC") renewed Taj Associates' casino license to operate the Taj Mahal for a period of four years through June 25, 2007. Upon revocation, suspension for more than 120 days, or failure to renew a casino license, the Casino Control Act provides for the mandatory appointment of a conservator to take possession of the hotel and casino's business and property, subject to all valid liens, claims and encumbrances.

Gaming Taxes

The Atlantic City Casinos are required to pay an annual tax of 8.0% on their gross casino revenues. Taj Associates gross revenue tax was approximately \$41,586,000 and \$40,285,000 for the years ended December 31, 2005 and 2004, respectively.

Legal Proceedings

Chapter 11 Cases

Although the Company has emerged from bankruptcy, the Company is still in the process of resolving various claims and other litigation in connection with the Plan, which may continue for the foreseeable future.

DLJ Merchant Banking Partners III, LP ("DLJMB") had filed proofs of claims in the Debtors' chapter 11 cases in which DLJMB alleges that it is due in excess of \$26 million for fees and expenses in connection with a proposed recapitalization of THCR that THCR had pursued in 2004. TER disputed the validity of the claims. On October 6, 2005, THCR commenced proceedings in the Bankruptcy Court to seek, among other relief, entry of an order disallowing and expunging the claims. The parties have been in settlement discussions, and the Company believes that an agreement to settle the DLJMB claims will be reached, although no assurances can be given. The Company believes that this matter represents a pre-acquisition contingency which finalization should be adjusted to goodwill through the provisions of SFAS 141.

401(k) Plan Participant Litigation

On February 8, 2005, certain individuals filed a complaint in the United States District Court for the District of New Jersey, Camden Division, against certain persons and organizations that included members of the Trump Capital Accumulation Plan Administrative Committee. In their complaint, the plaintiffs alleged, among other things, that such persons and organizations, who were responsible for managing the Trump Capital Accumulation Plan, breached their fiduciary duties owed to the plan participants when THCR Common Stock held in employee accounts was allegedly sold without participant authorization if the participant did not willingly sell such shares by a specified date in accordance with the plan. The plaintiffs brought this suit under the Employee Retirement Income Security Act of 1974 on behalf of themselves and certain other plan participants and beneficiaries and sought to have the court certify their claims as a class action. In their complaint, the plaintiffs also sought, among other things, damages for losses suffered by certain accounts of affected plan participants as a result of such allegedly improper sale of THCR Common Stock and reasonable costs and attorneys' fees. The parties have commenced discovery on this matter. At this time, the Company cannot predict the outcome of such litigation or its effect on the Company's business.

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Other Litigation

In addition to the foregoing, Taj Associates and certain of its employees are involved from time to time in other legal proceedings arising in the ordinary course of the Company's business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these other matters are not likely to have a material adverse effect on the Company's results of operations or financial condition. In general, the Company has agreed to indemnify its employees and its directors against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in any legal proceedings absent a showing of such persons' gross negligence or malfeasance.

Casino Reinvestment Development Authority Obligations

Pursuant to the provisions of the Casino Control Act, Taj Associates must either obtain investment tax credits, as defined in the Casino Control Act, in an amount equivalent to 1.25% of its gross casino revenues, as defined in the Casino Control Act, or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by making qualified investments, as defined, or by depositing funds which may be converted to bonds by the Casino Reinvestment Development Authority ("CRDA"), both of which bear interest at two-thirds of market rates resulting in a fair value lower than cost. Taj Associates is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

For the years ended December 31, 2005 and 2004, Taj Associates charged to operations, on the date funds were deposited with the CRDA, amounts of \$2,167,000 and \$2,100,000 respectively, to give effect to the below market interest rates associated with CRDA deposits and bonds. From time to time, Taj Associates has elected to donate funds it has on deposit with the CRDA for various projects. Taj Associates is not obligated to make donations to any specific project, and management elects to donate funds based on the specific facts of each potential donation transaction.

CRDA bonds and investments are included as other long-term assets on the accompanying Balance Sheets and are summarized as follows:

	December 31,	
	2005	2004
CRDA deposits, net of valuation allowance of \$8,269,000 and \$6,516,000, respectively.	\$ 16,173,000	\$ 12,678,000
CRDA bonds, net of valuation allowance of \$1,332,000 and \$978,000, respectively.	2,299,000	1,582,000
	<u>\$ 18,472,000</u>	<u>\$ 14,260,000</u>

NJSEA Subsidy Agreement

On April 12, 2004, the twelve Atlantic City casinos, including Taj Associates, executed an agreement (the "NJSEA Subsidy Agreement") with the New Jersey Sports & Exposition Authority ("NJSEA") and the Casino Reinvestment Development Authority ("CRDA"). The NJSEA Subsidy Agreement provides that the casinos, pro rata according to their gross revenues, shall: (1) pay \$34 million to the NJSEA in cash in four yearly payments through October 15, 2007 and donate \$52 million to the NJSEA from the regular payment of their CRDA obligations for use by the NJSEA through 2008 to enhance purses, fund breeders awards and establish account wagering at New Jersey horse racing tracks; and (2) donate \$10 million from the regular payment of their CRDA obligations for use by the CRDA as grants to such other North Jersey projects as the CRDA shall determine. The donation of \$62 million of CRDA obligations is conditioned upon the timely enactment and funding of the Casino Expansion Fund Act, which was enacted effective August 25, 2004 and established the Atlantic City Expansion Fund. The Casino Expansion Fund Act further identifies the casino hotel room occupancy fee as its funding source and directs the CRDA to provide the fund with \$62 million and make that amount available, on a pro rata basis, to each casino licensee for investment. By statute, as amended as of January 26, 2005, such funds shall be invested in eligible projects in Atlantic City which, if approved by the CRDA by August 25, 2006, add hotel rooms, retail, dining or non-gaming entertainment venues or other non-gaming amenities including, in certain circumstances, parking spaces or, if approved thereafter, additional hotel rooms. Taj Associates has estimated its portion of the industry obligation at approximately 10.4%.

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005
(Unaudited)

The NJSEA Subsidy Agreement further provides for a moratorium until January 2009 on the "conduct" of casino gaming at any New Jersey racetrack (unless casinos controlling a majority of the hotel rooms operated by the casinos in Atlantic City otherwise agree), and a moratorium until January 2006 on the introduction of casino gaming at any New Jersey racetrack. Violation of the moratorium terminates the NJSEA Subsidy Agreement and all further payment obligations to the NJSEA and requires the NJSEA to return all undistributed cash to the casinos and the CRDA to return all undistributed donated investment alternative tax obligation payments to the casinos.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	317,154	\$ 24,976		
2	Food	1,666,396	24,613		
3	Beverage	6,853,495	11,061		
4	Travel			88,213	\$ 8,275
5	Bus Program Cash	622,895	8,492		
6	Other Cash Comps	1,642,258	68,674		
7	Entertainment	6,650	639	20,974	1,479
8	Retail & Gifts			179,858	6,117
9	Parking				
10	Other *	24,887	1,442	94,591	1,651
11	Total	11,133,735	\$ 139,897	383,636	\$ 17,522

* No complimentary service or item within Other exceeds 5% of the total.

FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	72,005	\$ 5,758		
2	Food	374,456	5,771		
3	Beverage	1,656,979	2,769		
4	Travel			21,120	\$ 2,107
5	Bus Program Cash	137,128	1,907		
6	Other Cash Comps	361,759	15,773		
7	Entertainment	927	105	6,181	344
8	Retail & Gifts			40,062	1,935
9	Parking				
10	Other *	6,595	478	17,098	375
11	Total	2,609,849	\$ 32,561	84,461	\$ 4,761

* No complimentary service or item within Other exceeds 5% of the total.


STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

STATE OF NEW JERSEY:
:SS,
COUNTY OF ATLANTIC :

James L. Wright, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Subscribed and sworn to before me this 31st day of
March, 2006


Signature

Director of Finance
Title


Signature

003507-11
License Number

Suzanne H. Wallowitch
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires November 23, 2008
Basis of Authority
to Take Oaths

On Behalf Of:

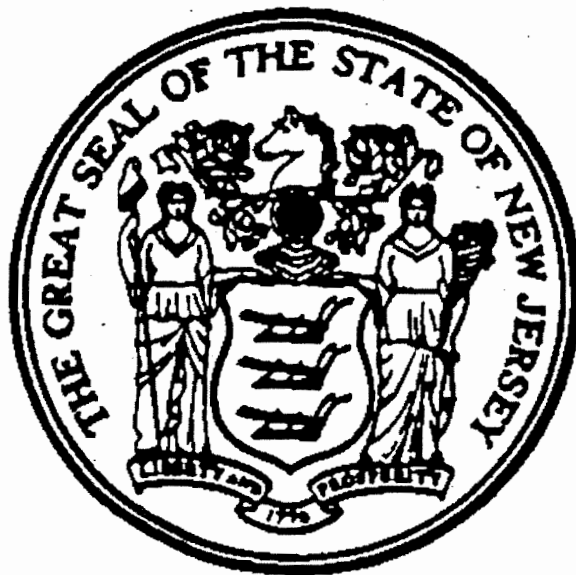
Trump Taj Mahal Casino Resort
Casino Licensee

SCHEDULE OF RECEIVABLES AND PATRON'S CHECK

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE QUARTER ENDED DECEMBER 31, 2005

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED December 31, 2005

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
1	Patrons' Checks:			
2	Undeposited Patrons' Checks.....	\$14,686		
3	Returned Patrons' Checks.....	9,507		
4	Total Patrons' Checks.....	\$24,193	(\$5,759)	\$18,434
5	Hotel Receivables.....	1,531	(187)	\$1,344
6	Other Receivables:			
7	Receivables Due from Officers and Employees.....	0		
8	Receivables Due from Affiliates.....	0		
9	Other Accounts and Notes Receivables.....	3,209		
10	Total Other Receivables.....	3,209	0	\$3,209
11	Totals (Form CCC-205).....	\$28,933	(\$5,946)	\$22,987

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
12	Beginning Balance (January 1).....	\$8,626
13	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits).....	297,798
14	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits).....	(213,909)
15	Checks Collected Through Deposits.....	(61,658)
16	Checks Transferred to Returned Checks.....	(16,171)
17	Other Adjustments.....	
18	Ending Balance.....	\$14,686
19	"Hold" Checks Included in Balance on Line 16.....	\$
20	Provision for Uncollectible Patrons' Checks.....	\$278
21	Provision as a Percent of Counter Checks Issued.....	0.10 %

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

3/15/06
Date


Signature

Director of Finance
Title of Officer

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 2005

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

NAME OF OFFICER IN CHARGE

OF CORRESPONDENCE REGARDING

THIS YEAR REPORT JAMES L. WRIGHT

OFFICIAL TITLE DIRECTOR OF FINANCE

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

(\$ IN THOUSANDS)

E	DEPARTMENT (b)	NUMBER OF EMPLOYEES at December 31 (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO				
	ADMINISTRATION	6	\$296	\$118	\$415
	GAMING	1,250	27,369	0	27,369
	SLOTS	190	6,464	202	6,666
	CASINO ACCOUNTING	301	8,654	0	8,654
	SIMULCASTING	9	310	0	310
	OTHER	12	545	0	545
	TOTAL-CASINO	1,771	43,637	320	43,957
	ROOMS	325	7,742	155	7,896
	FOOD AND BEVERAGE	1,168	22,893	0	22,893
	OTHER OPERATED DEPARTMENTS				
	COMMUNICATIONS	23	491	0	491
	HEALTH CLUB	12	246	0	246
	RETAIL ADMINISTRATION	7	182	0	182
	RETAIL OPERATIONS	19	223	0	223
	ADMINISTRATIVE AND GENERAL				
	EXECUTIVE OFFICE	1	50	294	344
	ACCOUNTING AND AUDITING	131	4,200	185	4,385
	SECURITY	308	7,838	85	7,922
	OTHER ADMINISTRATIVE AND GENERAL DEPARTMENTS	181	6,957	175	7,132
	MARKETING	178	9,080	841	9,921
	GUEST ENTERTAINMENT	188	3,397	66	3,463
	PROPERTY OPERATION AND MAINTENANCE	374	12,260	0	12,260
	TOTALS-ALL DEPARTMENTS	4,686	\$119,194	\$2,121	\$121,316

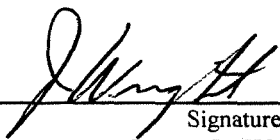
TRADING NAME OF LICENSEE:

TRUMP TAJ MAHAL ASSOCIATES

**ANNUAL EMPLOYMENT AND PAYROLL REPORT
SIGNATURE PAGE**

FOR THE YEAR ENDED DECEMBER 31, 2005

Under penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, no material discrepancies were noted for the period covered by this report, or if material discrepancies were noted, a detailed explanation is included on the attached page.



Signature
James L. Wright

March 31, 2006

Date

Director of Finance

Title

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

FOR THE YEAR ENDED DECEMBER 31, 2005

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2005

Line

CASINO WIN:		
1.	Table and Other Games Win.....	\$ 185,963,125
2.	Slot Machines Win.....	332,703,826
3.	Total Win.....	518,666,951
4.	Recovery for Uncollectible Patrons' Checks.....	1,265,319
5.	Gross Revenue (line 3 plus line 4).....	519,932,270
6.	Tax on Gross Revenue - Reporting Year (8% of line 5).....	41,594,582
7.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	10,055
8.	Total Taxes on Gross Revenue (the sum of lines 6 and 7).....	41,604,637
9.	Total (Deposits) Made for Tax on Reporting Year's Gross Revenue.....	(41,594,582)
Settlement of Prior Years' Tax on Gross Revenue		
10.	Resulting from Audit or Other Adjustments - (Deposits) Credits	(10,055)
11.	Gross Revenue Taxes Payable (the net of lines 8, 9 and 10)	\$ -

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

3-13-06

Date


Signature

Casino Controller
Title of Officer